

AMENDED IN SENATE AUGUST 12, 2013

AMENDED IN SENATE JULY 3, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 780

Introduced by Assembly Member Bocanegra

February 21, 2013

An act to add Section 14063 to the Corporations Code, relating to small businesses, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 780, as amended, Bocanegra. Small business financial development corporations.

The California Small Business Financial Development Corporation Law authorizes the formation of small business financial development corporations to grant loans or loan guarantees for the purpose of stimulating small business development. These provisions, including the small Business Loan Guarantee Programs are administered by an executive director, who is appointed by the Secretary of the Business, Transportation and Housing Agency. Commencing July 1, 2013, the duties of the agency with respect to these provisions became vested in the Governor's Office of Business and Economic Development.

This bill would appropriate \$2,000,000 from the General Fund to the Governor's Office of Business and Economic Development, and would require the Executive Director of the Small Business Loan Guarantee Program to distribute these funds to the financial development corporations, as specified, for their ongoing administrative operations.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 14063 is added to the Corporations Code, to read:

14063. (a) The Legislature finds and declares that the workload of California financial development corporations has increased significantly since the state's receipt of funds from the federal government pursuant to the Small Business Jobs Act of 2010 (Public Law 111-240).

(b) (1) The sum of two million dollars (\$2,000,000) is hereby appropriated from the General Fund to the Director of the Governor's Office of Business and Economic Development, for the purpose of providing administrative funding to financial development corporations under this part. These funds shall be allocated to the executive director, who shall distribute ~~one hundred fifty thousand dollars (\$150,000)~~ *one hundred eighty-one thousand eight hundred eighteen dollars (\$181,818)* to each financial development corporation, for expenditure for the purposes described in this section, and shall be available for this purpose until the federal funding referenced in subdivision (a) has been exhausted.

(2) Funds provided pursuant to this subdivision shall be used to supplement, and shall not supplant, other General Fund or other moneys made available for financial development corporation administration.